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Media Release

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Delaware Announces Settlement with Dell, Inc., over Customer Service Issues

Wilmington – The Delaware Department of Justice announced today that it has reached a settlement with Dell, Inc., and its subsidiary, Dell Financial Services, LLC, following a multistate investigation of the company's financing promotions, rebate offers, technical support and repair policies.

"Consumers should be able to trust a company's claims about the products and services it provides," stated Timothy Mullaney, Director of the Delaware Department of Justice Fraud and Consumer Protection Division. "This settlement requires disclosures to prevent future communication breakdowns and ensures that customers who are owed money are promptly paid."

Under the agreement, Texas-based Dell, Inc., and its subsidiary, Dell Financial Services, LLC, admit no wrongdoing but agree to pay \$1.5 million in restitution to eligible consumers who file claims postmarked by April 13, 2009. Dell cooperated fully with the Attorneys General of 34 states during their investigation and will pay an additional \$1.85 million to the states for reimbursement of legal costs and other expenses. Delaware's Consumer Protection Fund will receive \$46,600.00 of that amount.

An investigation was launched into Dell's sales practices after customers complained about a number of issues, including being charged high interest rates after applying for zero-percent financing, having trouble obtaining warranty service on Dell computers, and not receiving promised rebates.

Under the settlement, Dell agreed to:

- Disclose in its advertisements for promotional credit offers that consumers who apply will not necessarily qualify for the best annual percentage rate (APR), and disclose a range of initial APRs that consumers are likely to receive.
- Inform consumers applying for promotional financing that their application is for a revolving open credit account, that minimum monthly payments are required, and that approval of the account does not guarantee the consumer will also qualify for certain financing promotions. In addition, Dell will, at the time of credit acceptance, disclose whether the applicant has qualified for any certain financing promotion.
- Explain how finance charges are calculated, disclose any penalties, and inform the consumer whether subsequent purchases made using the credit account will be subject to the same or different financing terms.

- Fulfill its warranty obligations within 30 days from the date of notification or receipt of a defective product.
- Disclose whether phone-based troubleshooting or remote diagnosis is required before Dell will provide on-site repair or warranty-related service.
- If a rebate is available, provide the necessary rebate documentation at the time the product is delivered or the service is provided. It will also mail rebates within the specified time-frame or within 30 days if no date is specified.

CONSUMER REFUND REQUESTS:

Dell consumers may request restitution by completing the attached Claim Form if

- 1) They have a valid complaint concerning a product that was purchased between April 1, 2005, and April 13, 2009, and the complaint is addressed by the agreement, and
- 2) They are owed money as outlined in one or more of the situations listed in the Claim Form. The amount of money issued to individual consumers depends on the number of eligible recipients and the total amount claimed.

The deadline to submit claims is **April 13, 2009**.

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